

GROUP #5
EXPANSION OF STATE LONG-TERM CARE PARTNERSHIP

SUMMARY

The Deficit Reduction Act provides States the opportunity to disregard an individual's assets and resources in an amount equal to the long-term care insurance benefits made to or on behalf of that individual when determining Medicaid eligibility. The long-term care insurance policy must:

- Be a qualified policy as defined by the Internal Revenue Service
- Meet the federal model regulations and requirements developed in conjunction with the National Association of Insurance Commissioners
- Provide for inflationary adjustments for persons up to age 76 when it was sold to the individual
- Provide for portability across state lines among partnership states

In anticipation of the federal legislation, Georgia passed Long-Term Care Partnership legislation in its 05-06 session that was amended in 06-07 session (H.B.1415) to parallel the Deficit Reduction Act. DHR's Division of Aging Services, using '06 appropriations, implemented the Life Long Planning Program that includes working with the Department of Insurance with respect to long-term care insurance.

H.B. 1415 is to be administered by the Department of Community Health with the assistance of the Commissioner of Insurance and the Department of Human Resources. It requires the State to submit a State Plan Amendment within 180 days of the signing of the law (April 19, 2006) to allow for asset disregard. A joint planning meeting with DCH, DOI and DHR representatives is scheduled for May 25.

SWOT ANALYSIS - NOT PRIORITIZED BY GROUP

Strengths

1. Political support
2. Timing – Estate Recovery
3. Lifelong Planning Program
4. Own Your Future Campaign – provides another financing option
5. Want to maximize private pay
6. Part of an overall transformation in long-term care and Medicaid
7. Allows people to shelter assets that they may later need
8. Coverage of long-term care
9. We can build on other states
10. State savings
11. Collaborations (public and private sector)
12. Draw upon partners' strengths
13. Commercial insurance

Weaknesses

1. Making long-term care insurance affordable
2. Education and outreach – target brokers
3. Won't touch all segments of the population
4. States have the right to opt out of reciprocity
5. Tracking date
6. Georgia lowest in long-term care insurance penetration
7. Potential platform issue
8. Consumer Guide to LTC Partnership Program – consumer protection
9. Medicaid to cover assisted living facility

Opportunities

1. Making LTC Insurance an employee benefit
2. Buy-in for low income
3. Education of younger audience (50+)
4. State employees
5. Training of representatives
6. Parity in public and private sectors
7. Revision of old employer plans

Threats

1. Working poor
2. “Young Immortals”
3. Residency requirements
4. Consumer harm
5. Difficulty of exchange
6. Getting those who need long-term care insurance the most to buy it (those who otherwise spend down to Medicaid)

Bottom Line: This group recommends that Georgia implement this option